TABLE OF CONTENTS

PAGE

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE 1

BRIEF AMICUS CURIAE OF AUTOMATIC ELECTRIC COMPANY 5

QUESTIONS PRESENTED 5

INTEREST OF AUTOMATIC ELECTRIC 5

STATEMENT 7

ARGUMENT

QUESTION 1 9

Introduction 9

The Doctrine of Mutuality of Estoppel *Per Se* Has No Place in the Law of Res Judicata 12

The Reasons for Rejecting the Mutuality Doctrine Are Even More Convincing in Patent Cases 15

1. Inconsistent Validity Determinations Are Irreconcilable With a Federal Patent System .. 16

2. Judicial Economy and Preventing Harassment 19

QUESTION 2 22

CONCLUSION 25

AUTHORITIES CITED

CASES

Aghnides v. Goodrie, 210 F.2d 859, 100 U.S.P.Q. 335 (7 Cir. 1954) 20

Aghnides v. Holden, 226 F.2d 949, 107 U.S.P.Q. 195 (7 Cir. 1955) 10, 11, 20, 23

PAGE

Aghnides v. S. H. Kress & Co., 140 F.Supp. 582, 110 U.S.P.Q. 234 (M.D.N.C. 1956), *aff'd*, 246 F.2d 718, 114 U.S.P.Q. 187 (4 Cir. 1957), *cert. denied*, 355 U.S. 889, 115 U.S.P.Q. 426 (1957) 20

Aghnides v. Meyer's Co., 117 F.Supp. 839, 99 U.S.P.Q. 488 (M.D.N.C. 1954) 20

Bernhard v. Bank of America, 19 Cal. 2d 807, 122 P. 2d 892 (1942) 12, 22

Blumcraft of Pittsburgh v. Kawner Co., 166 U.S.P.Q. 265 (N.D. Ga. 1970) 10

Bruszewski v. United States, 181 F.2d 419 (3 Cir. 1950) 15

Commissioner v. Sunnen, 333 U.S. 591 (1948) 19

Compco Corp. v. Day-Brite Lighting, 376 U.S. 234 (1964) 9

Connelly v. Balkwill, 174 F.Supp. 49 (D. Ohio 1959), *aff'd per curiam*, 279 F.2d 685 (6 Cir. 1960) 15

Davis v. McKinnon & Mooney, 266 F.2d 870 (6 Cir. 1959) 14

B. R. Dewitt Inc. v. Hall, 19 N.Y. 2d 141, 225 N.E. 2d 195 (1967) 14

Dimock v. Revere Copper Company, 117 U.S. 559 (1886) 18

Dowell v. Applegate, 152 U.S. 327 (1894) 18

Eyber v. Dominion National Bank of Bristol Office, 249 F.Supp. 531 (W.D. Va. 1966) 18

Factor v. Pennington Press, Inc., 230 F.Supp. 906 (N.D. Ill. 1963) 14

Finney Company, The v. JFD Electronics Corp. and University of Illinois Foundation, Civil Action No. 65 C 671, United States District Court for the Northern District of Illinois, Eastern Division 17

PAGE

Fleischer v. Paramount Pictures Corporation, 329 F.2d 424 (2 Cir. 1964) 14

Garden Suburbs Golf & Country Club v. Murrell, 180 F.2d 435 (5 Cir. 1950) 18

Gibson v. United States, 211 F.2d 425 (3 Cir. 1954) .. 15

Gold Seal Importers, Inc. v. Westerman-Rosenberg, Inc., 133 F.2d 192 (2 Cir. 1943) 10

Goldstein v. Doft, 236 F.Supp. 730 (S.D.N.Y. 1964), *aff'd*, 353 F.2d 484 (2 Cir. 1965) 14

Good Health Dairy Products Corp. v. Emery, 275 N.Y. 14, 9 N.E. 2d 758 (1937) 14

Gorski v. Commercial Insurance Company, 206 F. Supp. 11 (E.D. Wis. 1962) 14

Graham v. John Deere Co., 383 U.S. 1 (1966) 9

Graves v. Associated Transport, Inc., 344 F.2d 894 (4 Cir. 1965) 13

Haughey v. Lee, 151 U.S. 282 (1894) 22

Kellogg Switchboard and Supply Co. v. Michigan Bell Telephone Co., 99 F.2d 203 (6 Cir. 1938) 22

Lear, Inc. v. Adkins, 395 U.S. 653 (1969) 9, 11, 12, 16, 19, 24

Louisville Trust Company v. Smith, 192 F.Supp. 396 (W.D. Ky. 1961) 14

Mast, Foos & Co. v. Stover Mfg. Co., 177 U.S. 485 (1900) 10

Nickerson v. Kutschera, 419 F.2d 983 (3 Cir. 1969) .. 10, 11, 20

Nickerson v. Pep Boys—Manny, Moe & Jack, 247 F. Supp. 221 (D. Del. 1965) 10, 20

Paramount Publix Corp. v. American Tri Ergon Corp., 294 U.S. 464 (1935) 22, 24

PAGE

People v. Ohio Casualty Insurance Company, 232 F. 2d 474 (10 Cir. 1956) 14

Rains v. Jil-Mic, Inc., 301 F.Supp. 545 (S.D.N.Y. 1969) 10

Royal Typewriter Co. v. Remington Rand, 168 F.2d 691 (2 Cir. 1948) 16

Sanitary Refrigerator Co. v. Winters, 280 U.S. 30 (1929) 10, 22

Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) 9, 16

Seguros Tepeyac, S.A., Compania Mexicana v. Jernigan, 410 F.2d 718 (5 Cir. 1969) 14

Southern Pacific Railroad v. United States, 168 U.S. 1 (1897) 22, 24

State of Maryland v. Capital Airlines, Inc., 267 F. Supp. 298 (D. Md. 1967) 14

State of Michigan v. Morton Salt Company, 259 F. Supp. 35 (D. Minn. 1966), *aff'd sub nom.* Hardy Salt Company v. State of Illinois, 377 F.2d 768 (8 Cir. 1967) 15

James Talcott, Inc. v. Allahabad Bank, Ltd., 310 F.Supp. 6 (S.D. Georgia 1969) 14

Technograph Printed Circuits, Ltd., and Technograph, Inc. v. Automatic Electric Company (Civil Action 63 C 36, N.D. Ill.) 1, 5

Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp., 218 F.Supp. 1 (D. Md. 1963), *aff'd per curiam*, 327 F.2d 497 (4 Cir. 1964), *cert. denied*, 379 U.S. 826 (1964) 3, 5, 6, 20, 21

Technograph Printed Circuits v. Methode Elect., Inc., 356 F.2d 442 (7 Cir. 1966) 2, 3, 4, 6, 10

Technograph Printed Circuits, Ltd. v. Methode Electronics, 285 F.Supp. 714 (N.D. Ill. 1968) 2, 5, 20

PAGE

Technograph Printed Cir. v. Packard Bell, 290 F. Supp. 308 (C.D. Calif. 1968) 20

Technograph Printed Circuits, Ltd. et al. v. United States, 164 U.S.P.Q. 584 (1970) 3, 6, 10

Treinies v. Sunshine Min. Co., 308 U.S. 66 (1939) 18

Triplett v. Lowell, 297 U.S. 638 (1936) 2, 3, 6, 8

United Banana Company v. United Fruit Company, 172 F.Supp. 580 (D. Conn. 1959) 15

United States v. United Air Lines, Inc., 216 F.Supp. 709 (E.D. Wash. 1962), *aff'd sub nom,* United Air Lines, Inc. v. Wiener, 335 F.2d 379 (9 Cir. 1964) 13

University of Illinois Found. v. Blonder-Tongue Lab., Inc., 422 F.2d 769 (7 Cir. 1970) 8

University of Illinois Foundation v. Winegard Company, 271 F.Supp. 412 (S.D. Iowa 1967), *aff'd,* 402 F.2d 125 (1968), *cert. denied,* 394 U.S. 917 (1969) .. 7

Zdanok v. Glidden Company, Durkee Famous Foods Division, 327 F.2d 944 (2 Cir. 1964) 14

STATUTE

35 U.S.C. § 103 7

OTHER AUTHORITIES

"An Analysis of Patent Litigation Statistics," *Staff Report of the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary,* 86th Cong., 2d Sess., S. Res. 240 21

59 Georgetown L.J. 73 (1970) 18

Hearings Before the Subcomm. on Patents, Trademarks, and Copyrights of the Comm. on the Judiciary, United States Senate, 90th Cong., 1st Sess., pursuant to S. Res. 37 on S. 2, S. 1042, S. 1377, S. 1691, pt. 1 (May 17, 18, 1967) 22

PAGE

Kananen, Comments and Observations on Res Judicata and Patent Laws, 18 W. Res. L.R. 103 (1966) 10

1B *Moore's Federal Practice* (2d Ed.) ¶ 0.412[1] 12

Manual for Complex and Multidistrict Litigation, "Classes of Potentially Complex Cases" (¶ 0.22) 19

Report of the President's Commission on the Patent System entitled "'To Promote the Progress of . . . Useful Arts' In An Age of Exploding Technology," Nov. 17, 1966 18

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1970

No. 338

BLONDER-TONGUE LABORATORIES, INC.,
Defendant and Counter Claimant-Appellant, Petitioner,

vs.

UNIVERSITY OF ILLINOIS FOUNDATION,
Plaintiff and Counterclaim Defendant-Appellee,

and

JFD ELECTRONICS CORPORATION,
Counterclaim-Defendant-Appellee, Respondents.

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE

To the Honorable Chief Justice and Associate Justices of The Supreme Court of The United States:

Automatic Electric Company, a defendant in *Technograph Printed Circuits, Ltd., and Technograph, Inc.* v. *Automatic Electric Company* now pending in the District Court for the Northern District of Illinois (Civil Action 63 C 36), respectfully moves for leave to file the annexed BRIEF AMICUS CURIAE in this case now before the

Court on writ of certiorari to the United States Court of Appeals for the Seventh Circuit.

Automatic Electric Company has requested the consent of each of the parties to the present action and consent has been refused.

It is the understanding and the belief of Automatic Electric Company that none of the parties to this case will advance the negative position as to the first question which this Court asked the parties to brief in its letter of October 29, 1970; more particularly, neither party will contend that the holding of *Triplett* v. *Lowell,* 297 U.S. 638 (1936), should be overturned. Furthermore, it is the understanding and the belief of Automatic Electric Company that none of the parties to this case will advance the affirmative position on the second question raised by this Court, that is, none of the parties will contend that the determination of invalidity in the *Winegard* litigation binds the respondents in this case. The attached amicus brief is directed only to the two questions relating to the *Triplett* rule.

Automatic Electric Company is vitally interested in the Court's decision on the question of *Triplett* v. *Lowell,* 297 U.S. 638 (1936), because of its conviction that patent litigation, like all litigation, should come to an end and because the Court's overturning of the *Triplett* rule will be controlling in the *Technograph* cases pending in the District Court for the Northern District of Illinois.

The *Technograph* cases were converted to a class action in 1968 (See *Technograph Printed Circuits, Ltd.* v. *Methode Electronics,* 285 F.Supp. 714 (N.D. Ill. 1968)) after the Seventh Circuit Court of Appeals had held that a prior adjudication of invalidity in an earlier action against another defendant could be given weight by comity *only* after a second trial on the merits. *Technograph* v. *Methode*

Elect. Inc., 356 F.2d 442 (7 Cir. 1966). Together with three other defendants*, Automatic Electric has been designated a class representative for most of the electronics industry including approximately fifty defendants in actions pending in other districts.

The plaintiff in the class action is Technograph, Inc., the owner of Eisler patent No. 2,706,697, which allegedly covers a widely used process for manufacturing printed circuits. The patent was declared invalid in *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.*, 218 F.Supp. 1 (D. Md. 1963); *aff'd per curiam*, 327 F.2d 497 (4 Cir. 1964); *cert. denied*, 379 U.S. 826 (1964), and in *Technograph Printed Circuits, Ltd. et al.* v. *United States*, 164 U.S.P.Q. 584 (Comm. Ct. Clm. 1970).

The Technograph action in Chicago was tried and briefed earlier this year; oral arguments were originally scheduled for November 13, 1970. On November 9, 1970, the trial judge, Hubert L. Will, vacated the oral argument because this Court indicated its interest in re-examining the decision in *Triplett* v. *Lowell*, 297 U.S. 638 (1936), on the present writ. In vacating the oral argument, Judge Will stated:

> "Let us suppose the Supreme Court were to hold, which it seems to me is quite possible . . . that as against the patentee a determination of invalidity is the ball game. I always thought that ought to be the rule, incidentally. I don't see why . . . a patent that is declared invalid should be relitigated against other

* The other representative defendants have been more or less inactive in the case; only Automatic Electric Company and RCA Corp., a class member, actively participated in the trial of the case. (RCA disputes its membership in the class but was given leave to participate without waiver of any rights relative to the dispute.)

alleged infringers in the hope that some court will end up holding it is valid, when you have got an opportunity to appeal the first declaration of invalidity and get it resolved.

• • •

"Suppose they hold that, that prior rulings in this case to the contrary notwithstanding, that is the end of this case, isn't it?"

The *Triplett* decision is the only obstacle to concluding the Technograph class action on the basis of the earlier decisions of invalidity (See *Technograph Printed Circuits* v. *Methode Elect., Inc.*, 356 F.2d 442 (7 Cir. 1966)). If this Court overturns *Triplett* it will obviously have a substantial and probably controlling effect on the District Court's decision in the *Technograph* cases.

The appended brief was prepared as soon as possible after Automatic Electric Company learned that the petitioner did not support the view that *Triplett* should be overruled. Because Automatic Electric Company is not supporting the position of the petitioner on this issue, and because no other party will brief this question, the present brief is considered timely and important in the proper consideration of the issues raised by the Court.

Accordingly, Automatic Electric Company requests that leave be granted to file the brief submitted with this motion.

Respectfully submitted,

THEODORE W. ANDERSON
HARRY J. ROPER
Attorneys for Amicus Curiae,
Automatic Electric Company.

BRIEF AMICUS CURIAE OF AUTOMATIC ELECTRIC COMPANY

QUESTIONS PRESENTED

Automatic Electric Company (hereinafter Automatic Electric) will discuss the following two questions on which the Court, in its letter of October 29, 1970, requested briefing:

> "1. Should the holding of *Triplett* v. *Lowell*, 297 U.S. 638, that a determination of patent invalidity is not res judicata as against the patentee in subsequent litigation against a different defendant, be adhered to?
>
> "2. If not, does the determination of invalidity in the *Winegard* litigation bind the respondents in this case?"

INTEREST OF AUTOMATIC ELECTRIC

Automatic Electric is a defendant in *Technograph Printed Circuits, Ltd., and Technograph, Inc.* v. *Automatic Electric Company* (Civil Action 63 C 36, N.D. Ill.), one of four cases now pending in the District Court for the Northern District of Illinois as part of a class action (See *Technograph Printed Circuits, Ltd.* v. *Methode Electronics*, 285 F.Supp. 714 (N.D. Ill. 1968)).

The plaintiff, Technograph, Inc., alleges that the class members infringe Eisler patent No. 2,706,697, which purportedly covers a widely used process for manufacturing printed circuits. Defendants challenge the validity of the patent.

The Eisler patent has been declared invalid in *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.*, 218 F.Supp. 1 (D. Md. 1963), *aff'd per curiam*, 327 F.2d 497 (4

Cir. 1964), *cert. denied*, 379 U.S. 826 (1964), and an opinion and recommendation of invalidity have been rendered by Commissioner Davis in *Technograph Printed Circuits, Ltd. et al.* v. *United States*, 164 U.S.P.Q. 584 (Comm. Ct. Clm. 1970).

The trial court in the *Automatic Electric* case granted a motion for summary judgment holding the patent invalid on the same grounds as in *Bendix*, but the Court of Appeals for the Seventh Circuit reversed on the grounds of the *Triplett* decision (*Technograph Printed Circuits* v. *Methode Elect., Inc.*, 356 F.2d 442 (7 Cir. 1966)). The decision of the Court of Appeals lead to a new trial on the validity issues in the class action. There are still about seventy other civil actions pending in about twenty federal districts on the same patent, only some of which are subject to the outcome of the class action. Thus, any argument that there are only two or three cases a year relitigating invalid patents and that this type of litigation is not a burden on the courts and on the public must be faulty.

The Technograph class action in Chicago was tried and briefed earlier this year and oral arguments were originally scheduled for November 13, 1970. On November 9, 1970, the trial judge, Hubert L. Will, vacated the scheduled oral argument because this Court granted the present writ of certiorari and indicated its interest in re-examining the decision in *Triplett* v. *Lowell*, 297 U.S. 638 (1936). The *Triplett* decision is the only obstacle to concluding the Technograph litigation on the basis of the earlier decisions of invalidity (See *Technograph Printed Circuits* v. *Methode Elect., Inc.*, 356 F.2d 442 (7 Cir. 1966)). If the holding in *Triplett* is overturned or reinterpreted in this case, the Court's decision will probably be controlling in the *Technograph* cases.

STATEMENT

The facts relating to the two questions are set out in the opinions of the Seventh Circuit Court of Appeals (reported at 422 F.2d 769 (A.54-71[1]) and the Eighth Circuit Court of Appeals (reported at 402 F.2d 125 (A.93-100)).

The Eighth Circuit suit was brought by the University of Illinois Foundation against the Winegard Company in the District Court for the Southern District of Iowa and charged infringement of the Isbell patent 3,210,767. Winegard successfully raised the defense of invalidity on the ground of obviousness (35 U.S.C. § 103), and the patent was declared invalid on June 23, 1967. *University of Illinois Foundation* v. *Winegard Company,* 271 F.Supp. 412 (S.D. Iowa 1967), (A.101-114). The decision was affirmed in *University of Illinois Foundation* v. *Winegard Company,* 402 F.2d 125 (8 Cir. 1968), (A.93-100), and this Court *denied certiorari,* 394 U.S. 917 (1969).

After the Iowa District Court's decision of invalidity, the District Court for the Northern District of Illinois considered and rejected the same obviousness defense and found the patent valid (A.71-90) in the present suit against Blonder-Tongue. In the appeal which followed the *Blonder-Tongue* decision, the Court of Appeals for the Seventh Circuit thought that, as a matter of "sound judicial policy," it should follow the invalidity decisions in the Eighth Circuit. Nevertheless, the court considered itself constrained by this Court's decision in *Triplett* v. *Lowell,* 297 U.S. 638 (1936), and was compelled to arrive at an independent decision on the obviousness issue. The Court

---

[1] All record references in this brief are to the Petitioner's Appendix which is before the Court.

of Appeals affirmed the trial court and upheld the patent. *University of Illinois Found.* v. *Blonder-Tongue Lab., Inc.*, 422 F.2d 769 (7 Cir. 1970). This Court granted certiorari. There is other litigation pending on the same patent.

ARGUMENT

QUESTION 1

Introduction.

The *Triplett* rule is based on the archaic and rapidly disappearing doctrine of mutuality of estoppel—a defendant cannot have the benefits of an earlier decision, the doctrine says, unless he was a party to the earlier litigation and would have been bound by the decision had it gone the other way. The doctrine has been dying slowly over the past twenty years and is now virtually eliminated from most areas of the law where it was a problem; the significant exception is the patent law and its interpretation of this Court's statements in the *Triplett* case.

The mutuality doctrine and its effects are entirely inconsistent with the constitutionally established purposes and restrictions of the patent grant and the substantial public interest involved in the issue of patent validity on which this Court has founded its recent landmark decisions in the patent field (see *Lear, Inc.* v. *Adkins*, 395 U.S. 653 (1969); *Graham* v. *John Deere Co.*, 383 U.S. 1 (1966); *Sears, Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225 (1964); and *Compco Corp.* v. *Day-Brite Lighting*, 376 U.S. 234 (1964)). It is clearly incongruous to a federal patent system, which "requires that all ideas in general circulation be dedicated to the common good unless they are protected by a valid patent" (*Lear, supra*, at p. 668), to allow free distribution by the successful defendant, and others in the Eighth Circuit, and at the same time restrict the unsuccessful defendant, and others in the Seventh Circuit, leaving everyone operating in any of the eight other circuits in total doubt and confusion as

to the legal consequences of their activities. It is equally incongruous to say that every patent which is subject to two possible district court holdings which are not clearly erroneous is entitled to review by this Court. (See this Court's order denying certiorari in *National Sponge Cushion Co.* v. *Allen Industries, Inc.*, No. 1012 (October 1968).) While the *Triplett* decision itself does not require such results[2], this is precisely how the courts have interpreted it.[3]

---

[2] In *Triplett*, the court stated that an "earlier decision may by comity be given great weight," and further provided a test for the comity question:

> ". . . the court must decide whether the issues of law and fact in the two cases are the same, and if they are not it is not bound by the earlier decision." (297 U.S. at p. 648).

See the discussion in *Nickerson* v. *Pep Boys—Manny, Moe & Jack*, 247 F.Supp. 221 (D. Del. 1965). The test obviously does not require a full trial the second time around. Moreover, the precedents cited by the court, *Mast, Foos & Co.* v. *Stover Mfg. Co.*, 177 U.S. 485 (1900), and *Sanitary Refrigerator Co.* v. *Winters*, 280 U.S. 30, 35 (1929), do not compel the result of a second trial because the question was not presented; in both cases the patent had been held valid in the earlier decisions.

[3] Examples are: *Gold Seal Importers, Inc.* v. *Westerman-Rosenberg, Inc.*, 133 F.2d 192 (2 Cir. 1943);
Aghnides v. *Holden*, 226 F.2d 949 (7 Cir. 1955);
Technograph Printed Circuits v. *Methode Elect., Inc.*, 356 F.2d 442 (7 Cir. 1966);
Technograph Printed Circuits, Ltd. et al. v. *United States*, 164 U.S.P.Q. 584 (1970);
Nickerson v. *Kutschera*, 419 F.2d 983 (3 Cir. 1969), compare dissent of Hastie, C.J., 419 F.2d at p. 984;
Blumcraft of Pittsburgh v. *Kawner Co.*, 166 U.S.P.Q. 265 (N.D.Ga. 1970)
Rains v. *Jil-Mic, Inc.*, 301 F.Supp. 545 (S.D.N.Y. 1969), (dicta);
For an analysis of the decisions on the question, see *Kananen, Comments and Observations on Res Judicata and Patent Laws*, 18 W. Res. L.R. 103 (1966).

The various Courts of Appeal have recognized the anomaly of the *Triplett* doctrine in the patent law, and have expressed their disagreement with its results as a matter of judicial policy. Nevertheless, the courts consider themselves bound by the decision, and its subsequent interpretation, just as the Seventh Circuit Court of Appeals did in the case now before the Court, where it said:

> ". . . It would seem sound judicial policy that the adjudication of that [validity] issue against the Foundation in one action where it was a party would provide a defense in any other action by the Foundation for infringement of the same patent.
>
> "That, however, is not the law in this field. . ." 422 F.2d at p. 772 (citing *Triplett*).

In an earlier case in the Seventh Circuit, *Aghnides* v. *Holden*, 226 F.2d 949 (1955), involving a similar situation, Judge Schnackenberg, in a concurring opinion, stated at page 951:

> ". . . Aghnides may litigate and relitigate again and again . . . as long as he selects a different defendant in each of the infringement suits which he files. . . . This queer result is one which we are unable to avoid."

The same view has been expressed by the Third Circuit Court of Appeals in *Nickerson* v. *Kutschera*, 419 F.2d 983, 984 (3 Cir. 1969), where the court said:

> "We continue to believe that such change as may be desirable in this exception in patent cases to the general rule of collateral estoppel should be made, on a record such as this, by the Supreme Court itself or by Congress, which so far has refused to change the rule in *Triplett*. In this regard, it is noted that, while the original version of the 'Patent Reform Act of 1967' introduced in the Senate contained a section providing for collateral estoppel in patent cases, the present version of that Bill has deleted this so-called 'in rem invalidity' clause."

As the Third Circuit Court of Appeals recognizes, Congress has failed to deal with the problem and it remains for this Court to provide the directive which these Courts have requested. (*Lear, Inc.* v. *Adkins*, 395 U.S. 653 (1969).)

The Doctrine of Mutuality of Estoppel Per Se Has No Place in the Law of Res Judicata.

The mutuality rule has absolutely nothing to recommend it but symmetry for the sake of symmetry. The proliferation of litigation which the rule can create, together with the lack of any redeeming merit*, have been enough to condemn it in most areas of the law. The irrationality of the rule was exposed more than twenty years ago by Chief Justice Traynor. Speaking for the Supreme Court of California, Judge Traynor stated, in *Bernhard* v. *Bank of America*, 19 Cal.2d 807, 122 P.2d 892 (1942):

> "The criteria for determining who may assert a plea of res judicata differ fundamentally from the criteria for determining against whom a plea of res judicata may be asserted. The requirements of due process of law forbid the assertion of a plea of res judicata against a party unless he was bound by the earlier litigation in which the matter was decided. * * * He is bound by that litigation only if he has been a party thereto or in privity with a party thereto. * * * There is no compelling reason, however, for requiring that the party asserting the plea of res judicata must have been a party, or in privity with a party, to the earlier litigation.
>
> "No satisfactory rationalization has been advanced for the requirement of mutuality. Just why a party

---

* The proponents of the rule offer little of a positive nature in arguing for its retention. See 1B *Moore's Federal Practice* (2d Ed.) ¶ 0.412[1].

who was not bound by a previous action should be precluded from asserting it as res judicata against a party who was bound by it is difficult to comprehend. * * *"

The strength of Judge Traynor's logic has virtually eliminated the doctrine of mutuality from areas of the law where it has been even less a problem than in the patent field. In *United States* v. *United Air Lines, Inc.*, 216 F. Supp. 709, 725-729 (E.D. Wash. 1962), *aff'd sub nom, United Air Lines, Inc.* v. *Wiener*, 335 F.2d 379, 404 (9 Cir. 1964), the District Court totally rejected the mutuality doctrine as to the finding of fault in an airline disaster case, stating, at pages 725 and 726:

> "While it is true that the general rule requires that there be identity of parties to invoke the doctrine of *res judicata*, nevertheless, the Courts, increasingly so in the last 20 years, have not adhered to that doctrine, and have held that no constitutional right is violated where *the thing to be litigated was actually litigated in a previous suit, final judgment entered, and the party against whom the doctrine is to be invoked had full opportunity to litigate the matter and did actually litigate it.* (Emphasis original).

Similarly, the Fourth Circuit Court of Appeals rejected the doctrine in *Graves* v. *Associated Transport, Inc.*, 344 F.2d 894, 897 (4 Cir. 1965), (personal injury litigation), where the court stated:

> "The mutuality rule was probably never a solid wall; exceptions were created under the pressure of the public interest in an end to litigation. The thought was that under certain circumstances once the party against whom the former judgment was asserted had been afforded a full and fair day in court and a reasonable opportunity to be heard on all the relevant issues, even though against a different adversary, a plea of estoppel by judgment ought to be recognized."

And in *Zdanok* v. *Glidden Company, Durkee Famous Foods Division*, 327 F.2d 944 (2 Cir. 1964), (contract case), the court commented in rejecting the doctrine:

> "This doctrine of the need for mutuality of estoppels, criticized by Bentham over a century ago as destitute of any semblance of reason, and as 'a maxim which one would suppose to have found its way from the gaming-table to the bench' . . . has been much eroded in recent years." (327 F.2d at p. 954).

United Air Lines and *Graves*, are diversity cases.[5] But, as in *Zdanok*, the mutuality doctrine has been thoroughly

---

[5] Additional examples are:
Fleischer v. *Paramount Pictures Corporation*, 329 F.2d 424 (2 Cir. 1964), (dicta—contractual obligation);
Davis v. *McKinnon & Mooney*, 266 F.2d 870 (6 Cir. 1959), (personal injury);
People v. *Ohio Casualty Insurance Company*, 232 F.2d 474 (10 Cir. 1956), (estate administration);
Seguros Tepeyac, S.A., Compania Mexicana v. *Jernigan*, 410 F.2d 718, 727 (5 Cir. 1969), (personal injury);
James Talcott, Inc. v. *Allahabad Bank, Ltd.*, 310 F.Supp. 6 (S.D. Georgia 1969), (interpleader);
Factor v. *Pennington Press, Inc.*, 230 F.Supp. 906 (N.D. Ill. 1963), (libel);
Louisville Trust Company v. *Smith*, 192 F.Supp. 396 (W.D. Ky. 1961), (estate administration);
State of Maryland v. *Capital Airlines, Inc.*, 267 F.Supp. 298 (D. Md. 1967), (air disaster);
Goldstein v. *Doft*, 236 F.Supp. 730 (S.D.N.Y. 1964), (contract), *aff'd*, 353 F.2d 484 (2 Cir. 1965); and
Gorski v. *Commercial Insurance Company*, 206 F.Supp. 11 (E.D. Wis. 1962), (personal injury).
And see:
B. R. Dewitt Inc. v. *Hall*, 19 N.Y.2d 141, 225 N.E.2d 195 (1967);
Good Health Dairy Products Corp. v. *Emery*, 275 N.Y. 14, 9 N.E.2d 758 (1937);

rejected in federal question cases. See *Gibson* v. *United States,* 211 F.2d 425 (3 Cir. 1954), (admiralty); *Bruszewski* v. *United States,* 181 F.2d 419 (3 Cir. 1950), (Longshoreman action); *United Banana Company* v. *United Fruit Company,* 172 F.Supp. 580 (D. Conn. 1959), (antitrust); *State of Michigan* v. *Morton Salt Company,* 259 F.Supp. 35 (D. Minn. 1966), (antitrust), *aff'd sub nom, Hardy Salt Company* v. *State of Illinois,* 377 F.2d 768 (8 Cir. 1967); and *Connelly* v. *Balkwill,* 174 F.Supp. 49, 62-63 (D. Ohio 1959), (securities case), *aff'd per curiam,* 279 F.2d 685 (6 Cir. 1960).

Viewed against these decisions in a wide spectrum of litigation, the patent cases adhering to the mutuality requirement are a singular exception which have withstood attack in the Courts of Appeal solely by virtue of a questionable interpretation of a decision of this Court. The compelling reasons of fundamental fairness and judicial administration which led Judge Traynor, and the other courts following his lead, to unconditionally reject the "gaming table" doctrine of mutuality of estoppel leave no room for *Triplett* in the patent field.

The Reasons for Rejecting the Mutuality Doctrine Are Even More Convincing in Patent Cases.

Above and beyond the reasons discussed above, the public interest in the patent grant and its relation to the competitive system, as well as the complexities involved in patent litigation with their potential for harassing abuse, are additional reasons for *Triplett's* interment. Judge Learned Hand aptly summarized the special nature of

patent decisions in *Royal Typewriter Co.* v. *Remington Rand*, 168 F.2d 691 (2 Cir. 1948):

> "[T]he reason why we should pass on . . . [the validity] question . . . is so that invalid claims shall not remain in terrorem of the art."

Until *Triplett* is overruled or reinterpreted, however, that purpose cannot be realized.

1. Inconsistent Validity Determinations Are Irreconcilable With a Federal Patent System.

The prospect of a patent being invalid in some areas of the country and valid in others is obviously inconsistent with "the strong federal policy favoring free competition in ideas which do not merit patent protection" (*Lear, Inc.* v. *Adkins*, 395 U.S. 653, 656 (1969)).

It is precisely the need for a *uniform* law which places patents in the realm of federal jurisdiction. As this Court noted in *Sears, Roebuck & Co.* v. *Stiffel Co.*, 376 U.S. 225 (1964), at p. 228:

> "Before the Constitution was adopted, some States had granted patents either by special act or by general statute, but when the Constitution was adopted provision for a federal patent law was made one of the enumerated powers of Congress because, as Madison put it in *The Federalist* No. 43, the States 'cannot separately make effectual provision' for either patents or copyrights."

It is just as irrational to permit nonuniform patent protection in the various circuits as it is to allow each state its own patent system. Either result is inconsistent with

a federal concept. One who wishes to sell a patented device can and should be compelled to obtain a license from the patentee and pay royalties, but not when his competitors have been freed from the monopoly either by a favorable decision of invalidity, or by simply being resident in the circuit where the decision of invalidity has been handed down. There is no conceivable reason consistent with the patent system for granting residents of the Eighth Circuit immunity while severely restricting their neighbors in the Seventh Circuit and leaving the rest of the country in doubt and free to act only in the peril of expensive and harassing patent litigation. It is equally unjustifiable that such inconsistencies should be permitted and even encouraged, with the burden of a final uniform decision always resting on this Court.

In the situation presented by the case at bar, but for this Court's intervention, *Winegard,* the successful Eighth Circuit defendant, would enjoy an unwarranted competitive advantage over *Blonder-Tongue,* the loser in the Seventh Circuit, and all others in the Seventh Circuit who may be reluctant to practice the invention out of fear of a Seventh Circuit suit. In the rest of the country, only continued and protracted litigation can be expected.[4] In such cases, public policy would be far better served by invocation of the doctrine of *res judicata* or collateral estoppel which would not only preclude relitigation after a full and fair trial and a decision of invalidity but would effectively devitalize the spurious monopoly for the

[4] The Isbell patent is presently being asserted in *The Finney Company* v. *JFD Electronics Corp. and University of Illinois Foundation,* Civil Action No. 65 C 671, United States District Court for the Northern District of Illinois, Eastern Division.

benefit of the *whole* public, including unsuccessful defendants in prior suits. (The last judgment rendered would presumably be controlling. See *Dimock* v. *Revere Copper Company*, 117 U.S. 559 (1886); *Dowell* v. *Applegate*, 152 U.S. 327 (1894); *Treinies* v. *Sunshine Min. Co.*, 308 U.S. 66 (1939); *Garden Suburbs Golf & Country Club* v. *Murrell*, 180 F.2d 435 (5 Cir. 1950); and *Eyber* v. *Dominion National Bank of Bristol Office*, 249 F.Supp. 531 (W.D. Va. 1966).)

The prospect of inconsistent validity determinations and the thwarting effect that prospect has on new entries into a market[7] were major factors leading to the "*in rem* invalidity" clause embodied in the proposed 1967 version of the Patent Reform Act pursuant to the recommendation of the 1966 Report of the Presidential Commission.[8] The clause read:

> "A final federal judicial determination declaring a patent claim invalid shall be *in rem*, and the cancellation of such claim shall be indicated on all patent copies subsequently distributed by the Patent Office."

In making the proposal, the Commission stated:

> "Under present law, even though one or more claims of a patent have been held invalid in one Federal circuit, the patentee may pursue a different defendant in another circuit for infringement of the same claims.
>
> "As a result, a party may be held liable as an infringer or required to pay royalties in one circuit, while his direct competitor is practicing the same in-

---

[7] The thwarting effect is discussed in 59 Georgetown L. J. 73, 81 (1970).

[8] Report of the President's Commission on the Patent System entitled "'To Promote The Progress of . . . Useful Arts' In An Age of Exploding Technology," Nov. 17, 1966, pp. 38-39.

vention without restriction in another circuit. Moreover, the mere possession of a patent, even though held invalid in one or more circuits, serves as a potential threat to persons unwilling or unable to defend a suit on the patent.

"Under the proposed recommendation, a claim, once held invalid, would be treated as cancelled from the patent. No one thereafter could be required, on the basis of a royalty agreement previously made part of an infringement judgment, to continue royalty payments on the claim. Furthermore, the proposal would preclude a subsequent suit on a patent claim previously held invalid by a Federal court.

"A patentee, having been afforded the opportunity to exhaust his remedy of appeal from a holding of invalidity, has had his 'day in court' and should not be allowed to harass others on the basis of an invalid claim. There are few, if any, logical grounds for permitting him to clutter crowded court dockets and to subject others to costly litigation."

Congress' failure to enact that legislation and thereby correct the problem merely heightens this Court's responsibility to reinterpret its own precedent (*Lear, Inc.* v. *Adkins*, 395 U.S. 653 (1969)).

2. Judicial Economy and Preventing Harassment.

In *Commissioner* v. *Sunnen*, 333 U.S. 591, 597 (1948), this Court referred to the basis of the *res judicata* doctrine as "economy of judicial time." There are few areas of the law where economy would be more welcome then in the patent field. Patent litigation is notoriously complex. (See "Classes of Potentially Complex Cases" identified in the *Manual for Complex and Multidistrict Litigation* (¶ 0.22).) The history of the Technograph litigation, as related in Judge Becker's ruling establishing the

class action (*Technograph Printed Circuits, Ltd.* v. *Methode Electronics*, 285 F.Supp. 714 (N.D. Ill. 1968), and in Judge Hall's decision imposing sanctions on the plaintiff (*Technograph Printed Cir.* v. *Packard Bell Electronics Corp.*, 290 F.Supp. 308 (C.D. Calif. 1968), illustrates the extremes to which such complexities may be aggravated by a patent owner. The first decision of invalidity was handed down in 1963 (*Technograph Printed Circuits, Ltd.* v. *Bendix Aviation*, 218 F.Supp. 1 (D. Md. 1963)), and affirmed in 1964 (327 F.2d 497 (4 Cir. 1964)); *cert. denied*, 379 U.S. 826 (1964). Yet the patent owner continues the litigation in the Fourth Circuit (where the patent has already been held invalid), the Seventh Circuit (a class action), and the Ninth Circuit.

If *Triplett* had not been the law when *Technograph Printed Circuits* v. *Methode Elect., Inc.*, 356 F.2d 442 (7 Cir. 1966), was decided, all of the subsequent proceedings could have been avoided. If the court now overrules the *Triplett* doctrine, it can eliminate additional time and expense from the history of an exceedingly long and complex series of cases. The *Nickerson* cases[9] and the *Aghnides* cases[10] are other examples where the *Triplett* rule has required large expenditures of judicial time.

---

[9] *Nickerson* v. *Kutschera*, 419 F.2d 983 (3 Cir. 1969); and *Nickerson* v. *Pep Boys—Manny, Moe & Jack*, 247 F. Supp. 221 (D. Del. 1965).

[10] *Aghnides* v. *Holden*, 226 F.2d 949, 107 U.S.P.Q. 195 (7 Cir. 1955); *Aghnides* v. *Goodrie*, 210 F.2d 859, 100 U.S.P.Q. 335 (7 Cir. 1954); *Aghnides* v. *S. H. Kress & Co.*, 140 F.Supp. 582, 110 U.S.P.Q. 234 (M.D.N.C. 1956), *aff'd*, 246 F.2d 718, 114 U.S.P.Q. 187 (4 Cir. 1957), *cert. denied*, 355 U.S. 889, 115 U.S.P.Q. 426 (1957); and *Aghnides* v. *Meyer's Co.*, 117 F.Supp. 839, 99 U.S.P.Q. 488 (M.D.N.C. 1954).

The complexities of patent litigation provide substantial potential for harassment as illustrated by the *Technograph* cases just discussed. Moreover, a study of patent litigation during fiscal years 1949-1958[11], found that patents were reasserted in 62 instances "after a prior determination of invalidity," but that a "vast majority of suits commenced after a prior determination of the invalidity of the patent" were settled without a second decision on the merits, a disturbing statistic which suggests the widespread acceptance of licenses under invalidated patents.[12] Moreover, it is undoubtedly true that a large number of licenses are taken without filing a second complaint.

Yet just such a result is to be expected in view of expense incident to patent litigation and the lack of certainty in legal relations consequent from the rule in *Triplett*:

> ". . . The businessman can be subjected to considerable harassment as an alleged infringer. Even in cases where he feels strongly that the patent would ultimately be held invalid, when he considers the hundreds of thousands of dollars in complex cases that could be involved in defending a suit, he may

---

[11] "An Analysis of Patent Litigation Statistics," *Staff Report of the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 86th Cong., 2d Sess., S. Res. 240, p. 19.

[12] In the Technograph class action, one member of the class agreed to pay a six figure sum for settlement on the eve of the third trial on the Eisler patent, previously declared invalid in *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.*, 218 F. Supp. 1 (D. Md. 1963), *aff'd per curiam*, 327 F.2d 497 (4 Cir. 1964), *cert. denied*, 379 U.S. 826 (1964). Under the settlement agreement, Technograph gambled nearly half of that sum that it could obtain a holding of validity in its second effort to sustain the patent, that is in the litigation against the United States in the Court of Claims.

conclude that the best course of action is to settle for less to get rid of the problem. These nuisance settlements, although distasteful, are often, under the present system, justified on pure economics." *Hearings Before the Subcomm. on Patents, Trademarks, and Copyrights of the Comm. on the Judiciary, United States Senate,* 90th Cong., 1st Sess., pursuant to S. Res. 37 on S. 2, S. 1042, S. 1377, S. 1691, pt. 1, at 103 (May 17, 18, 1967).

All these reasons lead to the conclusion that *Triplett* should finally be interred; Automatic Electric urges the Court to answer the first question in the negative.

QUESTION 2

With the first question answered in the negative, in a more usual case, the second would seem to follow logically, since the decisions of the Seventh and Eighth Circuits involve the same issue and the same plaintiff (See *Bernhard* v. *Bank of America,* 19 Cal.2d 807, 122 P.2d 892 (1942)). Here, however, Blonder-Tongue has specifically requested that the court not overrule *Triplett* (Petitioner's Brief, p. 9), and apparently it has neither pleaded the defense of *res judicata* nor has it any desire to do so.

Nevertheless, Blonder-Tongue has placed the issue of validity before the court and the public interest in the court's decision is sufficient reason for considering the collateral estoppel question in the specific context of this litigation (*Haughey* v. *Lee,* 151 U.S. 282, 285 (1894); *Paramount Publix Corp.* v. *American Tri Ergon Corp.,* 294 U.S. 464, 477 (1935); *Kellogg Switchboard and Supply Co.* v. *Michigan Bell Telephone Co.,* 99 F.2d 203, 205 (6 Cir. 1938)).

With the mutuality question resolved against the University of Illinois Foundation, the only remaining con-

sideration is whether the same "right, question or fact" at issue in the present case was "distinctly put in issue and directly determined" by the District Court and Court of Appeals in the Eighth Circuit (*Southern Pacific Railroad* v. *United States*, 168 U.S. 1, 48 (1897)).

The opinions of the Seventh and Eighth Circuit Courts of Appeal leave no room for doubt on the question. Both courts were dealing with the same Isbell patent. In both cases, the issue of invalidity on the basis of obviousness was specifically raised and considered. Thus, precisely the same validity issues were raised in the two cases.

The Foundation has argued in its reply to the petition that the record on the obviousness issue is different in the two cases (Reply p. 5). Specifically, it argues that the Seventh Circuit Court of Appeals had the benefit of Dr. DuHamel's testimony.[13] But the fact that the *records* are different in the two cases is immaterial in view of the identity of the issues. While the question of "new evidence" was sometimes an issue under the *Triplett* rule[14],

---

[13] DuHamel is a University of Illinois professor who worked in the same laboratory as Isbell on projects sponsored by the United States Air Force (A. 231-32) when the alleged Isbell invention was made. DuHamel has a financial interest in the outcome of the litigation (A. 359). His testimony was obviously available to patentee in the *Winegard* case but was not presented—possibly in anticipation of an adverse decision from the Eighth Circuit in view of that Court's strict adherence to the principles of *Graham*. Instead, the DuHamel evidence was saved for presentation in the statistically far more favorable climate of the Seventh Circuit. In these circumstances, it is in the public interest that the DuHamel testimony, if received at all, should be given little or no weight.

[14] See *Aghnides* v. *Holden*, 226 F.2d 949 (7 Cir. 1955).

it has no applicable place in a determination of collateral estoppel or *res judicata*. When a similar contention was made in *Southern Pacific Railroad* v. *United States*, 168 U.S. 1 (1897), the court stated at page 65:

> "We cannot concur in the view that the evidence upon this branch of this case is of such nature as to compel the court, in the interest of truth and justice, not only to consider it but to pass again upon the issue made in the former suits as to the character of the maps of 1872. Whatever is new in the evidence now before us, touching that matter, is simply cumulative on the one side or the other. The application to consider that evidence is practically an application for a rehearing as to things directly determined in the former suits. . . . Such a course of procedure is wholly inadmissible under the settled rule of *res judicata*."

We need only add that the public policy considerations involved obviously require that the Court's ruling be given full retroactive effect (*Lear, Inc.* v. *Adkins*, 395 U.S. 653, 674 (1969)).

The second question, therefore, should be answered in the affirmative.

CONCLUSION

The *Triplett* rule of mutuality of estoppel should be excised from the patent law and based on this record the owner of the Isbell patent should be barred from asserting that patent following the final holding of invalidity by the Eighth Circuit Court of Appeals.

Respectfully submitted,

THEODORE W. ANDERSON
HARRY J. ROPER
Attorneys for Amicus Curiae,
Automatic Electric Company.

Of Counsel:
PENDLETON, NEUMAN,
WILLIAMS & ANDERSON
77 West Washington Street
Chicago, Illinois 60602

CERTIFICATE OF SERVICE

Service of copies of the foregoing MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE and BRIEF AMICUS CURIAE OF AUTOMATIC ELECTRIC COMPANY has been made this 31st day of December, 1970, upon all parties to the entitled action by depositing copies thereof in a United States Post Office, with first class air mail postage, respectively addressed to counsel of record for each of said parties.

THEODORE W. ANDERSON
Attorney for Amicus Curiae,
Automatic Electric Company.